



The Secretary of Energy
Washington, DC 20585
February 11, 2000

**MEMORANDUM FOR HEADS OF ALL DEPARTMENTAL ELEMENTS
AND MAJOR DOE CONTRACTORS**

FROM: BILL RICHARDSON 
SUBJECT: Maximizing Small Business Utilization

The Department of Energy is committed to fully engaging small businesses, including small disadvantaged, 8(a), women-owned businesses, and HUBZone small business concerns, in DOE's core missions and programs. In addition, DOE's scientific, technical, and energy and environmental operations provide a unique opportunity for small businesses to engage in interesting and innovative program activities. The Department plays a key role in supporting small business success in technical and energy fields. Likewise, the Department has benefitted from small business innovations.

Recent guidance from the Office of Management and Budget, Office of Federal Procurement Policy, has changed the way the Department reports its prime contract awards to small businesses. This results in a change in the methodology used for compiling small business goals and achievements reported to the Small Business Administration (SBA). We will see a reduction in DOE's small business prime contracting goals; however, the aggregate prime contracting and subcontracting opportunities that DOE provides to small businesses will remain largely unchanged. The Department is proud to provide over \$3 billion in combined prime and subcontracting opportunities to small businesses, including small disadvantaged, women-owned, and HUBZone small business concerns.

I want to see the Department build on this record by setting a combined prime and subcontracting goal of \$3.3B in Fiscal Year 2000, including \$757.6M in prime contracting to small businesses as assigned by SBA. To accomplish this, the Office of Small and Disadvantaged Business Utilization (OSDBU) within the Office of Economic Impact and Diversity (ED), will work with all departmental elements and provide guidance for achieving this goal.

Also, in order to enhance our small business program, I have created a Small Business Committee as part of the Field Management Council. This Committee reports to me and the Deputy Secretary, and is co-chaired by the Director of the Office of Economic Impact and Diversity (ED) and the Director of the Office of Procurement and Assistance Management, and includes representatives from the



program offices, field activities, and major contractors. The Committee will develop and monitor the implementation of small business strategies to maximize small business participation in program activities. Specifically, I am directing this Committee to develop and report to me on the progress of the following initiatives:

- **Innovative Opportunities for Small Businesses:** All departmental elements will work with ED to maximize small business utilization in their core missions, including contracts, financial assistance, and collaborative research efforts, and develop technical assistance and innovative incubator programs to include small businesses in emerging technologies and disciplines. Departmental elements will develop plans for forging innovative partnerships with small business concerns to afford them an opportunity to become involved in technology transfer and commercialization.
- **Procurement Tools and Guidance:** The Office of Procurement and Assistance Management will issue additional procurement guidance, identifying tools and techniques to maximize small business participation in the award of both DOE prime contracts and management and operating contract subcontracts. This includes maximizing the use of the 8(a) program, the 8(a) pilot program, the Mentor-Protégé program, and the HUBZone program, as well as anti-bundling policies.
- **Enhancing the Small Business Program:** The OSDBU office will develop a new policy for the conduct of their operations. This includes improving the OSDBU process for reviewing offices' contracts through: 1) increased involvement in acquisition planning and 2) enhanced review of contracts of \$3 million and above. Also, this office will serve as a focal point in tracking major initiatives and announcements by all departmental elements and major contractors, including grants, financial assistance, contracts, technology transfer and collaborative research efforts, and other program activities that have an impact on small business.
- **Enhancing Program, Field Office and Contractor Small Business Functions:** The Small Business Committee will recommend a structure that will enhance the small business function in all program and field offices and major contracting facilities to strengthen their authority to have an impact on procurement planning and forecasting, and promote small business interests in other collaborative research and partnership efforts. The Committee will identify best practices and explore commercial business models that promote small business advocacy and interaction with the small business community.

- **Monitoring and Tracking Prime Contracting and Subcontracting Performance:** The Committee will have oversight in the development and reporting of prime and subcontract goals and monitoring the progress in achieving these goals, as well as other collaborative research efforts that impact small business. In addition, the Office of Small and Disadvantaged Business Utilization will develop guidelines for monitoring performance. Also, the Office of Procurement and Assistance Management will enhance the departmental subcontracting reporting system that tracks small business award accomplishments and provides data to determine whether individual contractor goals have been achieved.
- **Outreach to Small Business:** The Committee will promote innovative outreach initiatives to the small business community, including the establishment of an annual DOE-wide conference to include prime contractors. **I am pleased to announce the next DOE-wide small business conference will be held in April 27-28, 2000, in Denver, CO.** The purpose of the conference is to have ED, OSDBU, program offices, and major contractors educate the small business community about our business lines, forecasts, collaborative research, and other opportunities. In addition, the conference will provide an opportunity to highlight innovative programs and recognize elements that have excelled in meeting small business goals.

The Department has exciting opportunities for small businesses in technical and energy fields that are provided through a variety of mechanisms. Our task is to fully integrate small businesses, including small disadvantaged, 8(a), and women-owned, and HUBZone small business concerns, into program activities. These initial steps are vital to maximizing small business utilization throughout all DOE.